



November 1, 2012

William Grant
Deputy Commissioner Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

RE: Distributed Generation Assessment

Deputy Commissioner Grant:

Silicon Energy MN, a Minnesota manufacturer of PV modules, is a strong proponent of distributed generation using photovoltaics (PV-DG) in Minnesota.


PV-DG technologies are being integrated successfully into power grids in the U.S. and across the world everyday and have been now for over 20 years. The challenge for U.S. utilities is catching up with the rest of the world as these technologies proliferate at an ever-increasing pace as the world shifts away from centralized, traditional generation to a more robust distributed model.

PV-DG is economically viable. However, utilities continue to dramatically undervalue PV-DG's economic contribution (See "Solar Power Generation in the US: Too expensive, or a bargain?" and "Designing Austin Energy's Solar Tariff Using a Distributed PV Value Calculator"). This is entirely understandable and in keeping with the challenge of entrenched organizations like utilities in identifying, valuing, and adapting to disruptive technologies, which PV and PV-DG technologies clearly are.

Local PV manufacturing can be an important and significant contributor to Minnesota's economy. The value of local PV manufacturing is often overlooked because the solar industry has struggled for decades to prove itself "economically viable" to energy critics and utilities that cannot reasonably evaluate its economic contribution against traditional generation. The result, the solar industry promises "grid parity" to satisfy solar critics and drives itself into making manufacturing, installation, and business decisions that are not sustainable economically or environmentally, including offshoring of manufacturing to countries with weak environmental policies. Intelligent PV incentives can effectively promote environmental protection, national security, and the local economy.

Silicon Energy strongly supports PV-DG; a state-wide, performance-based incentive program administered by DER that is simple, transparent, and focused on developing local manufacturing; and smaller, distributed PV-DG systems instead of large centralized utility-scale PV systems that can pose a challenge to utilities in balancing their systems and do not distribute economic development across the State.

Sincerely,



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